

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
SANDY LAKE**

**ANNUAL FINANCIAL REPORT  
AND  
ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

**For the Year Ended December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/23/08

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**Sandy Lake**

**ANNUAL FINANCIAL REPORT**  
**For the Year Ended December 31, 2007**

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**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
Sandy Lake**

**ANNUAL FINANCIAL REPORT  
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**FIRE PROTECTION DISTRICT NO. 4**  
**Sandy Lake**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2007**

Our discussion and analysis of the Fire Protection District No. 4 of Catahoula Parish's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2007. Please read in conjunction with the basic financial statements and the accompanying notes to financial statements.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the Fire Protection District No. 4's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Our accountant has provided limited assurance in his accountants' review report that they are not aware of any material modifications that should be made to the accompanying financial statements. The accountant, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the accountant's review report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements**

One of the most important questions asked about finances is "Is the Fire Protection District No. 4 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information of the Fire Protection District No. 4 as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Fire Protection District No. 4.

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not the Fire Protection District No. 4 as a whole. Some funds are required to be established by State laws.

**FIRE PROTECTION DISTRICT NO. 4**  
**Sandy Lake**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2007**  
**(continued)**

The Fire Protection District No. 4 uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fire District No. 4's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation statement.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$809,688 (net assets).
- Total net assets are comprised of the following
  - (1) Investment in capital assets of \$718,070 including the cost of office equipment, and furniture, net of accumulated depreciation and related debt.
  - (2) Unrestricted net assets of \$91,215 representing the portion available to maintain the continuing obligations to citizens and creditors.
  - (3) Restricted net assets of \$403, which represents the cash for debt service.
- The governmental funds reported total ending fund balance of \$64,618. Of this amount \$403 was reserved for debt service and the rest, \$64,215 was unreserved. This compares to the prior year ending fund balance – of \$53,073, showing an increase of \$11,545 during the current year.
- Total spending for all general government activities was \$149,387 for the year, which was \$(132,350) less than the program revenues for these activities – \$17,037.
- The interest earned on checking accounts was \$93 for the year.

The Statement of Net Assets and the Statement of Activities reports only one type of activity-governmental activities. All of the basic governmental services are reported as this type. Property taxes finance most of these activities.

**FIRE PROTECTION DISTRICT NO. 4**  
Sandy Lake

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2007  
(continued)

**FINANCIAL ANALYSIS AS A WHOLE**

The Fire Protection District No. 4's net assets reduced by \$(49,224) as a result of this year's operations. As a result of approved property tax, the overall financial position improved during the fiscal year ending December 31, 2007. Restricted net assets—the part of net assets that can not be used to finance day-to-day operations due to constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the decrease this year. The balance in net assets represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our non-capital liabilities, we would have \$91,215 left.

The Fire Protection District No. 4's total revenues for the year in governmental activities were \$100,163 (\$17,037 in donations and charges for services and \$83,126 in general revenues). The total cost of all government programs and services was \$149,387 with no new programs added this year. The following tables reflect the condensed statements of net assets and statement of activities of 2006 and 2007.

**Table 1**  
**Comparative Statement of Net Assets**  
**June 30, 2006**  
**with comparative totals for June 30, 2007**  
**in (thousands)**

	Governmental activities	
	<u>2006</u>	<u>2007</u>
Current and other assets	53	64
Capital Assets	995	918
Other noncurrent assets	<u>0</u>	<u>1</u>
<b>Total Assets</b>	<b><u>1,048</u></b>	<b><u>983</u></b>
 Total Liabilities	 189	 173
 Net Assets:		
Capital Assets	779	718
Unrestricted	80	91
Restricted	<u>0</u>	<u>1</u>
<b>Total Net Assets</b>	<b><u>859</u></b>	<b><u>810</u></b>

**Table II**  
**Comparative Statement of Activities**  
**June 30, 2006**  
**with comparative totals for June 30, 2007**  
**in (thousands)**

	Governmental activities	
	<u>2006</u>	<u>2007</u>
<b>Expenses:</b>		
General Government	<u>162</u>	<u>149</u>
<b>Program Revenue:</b>		
Donations & Fees	19	17
<b>General Revenues</b>	<b><u>81</u></b>	<b><u>83</u></b>
<b>Total Revenues</b>	<b><u>100</u></b>	<b><u>100</u></b>
Changes in Net Assets	(62)	(49)
Net Assets Bg year	<u>921</u>	<u>859</u>
 Net Assets end year	 <u>859</u>	 <u>810</u>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

As we noted earlier, the Fire Protection District No.4 uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Fire District No. 4's if being accountable for the resources provided to but may also give more insight into the overall financial health.

**FIRE PROTECTION DISTRICT NO. 4  
Sandy Lake**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2007  
(continued)**

As the Fire District No. 4's completed the year, its governmental funds reported a combined fund balance of \$64,618. This reflects an increase of \$11,545 from last year. This decrease is primarily the result of spending on capital outlay described within the analysis of the governmental activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The budget for the General Fund was adopted this fiscal year. The excess spending that was not adjusted in the budget are as follows:

- (1) Various expense categories – \$31,492.

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2007 was \$918,437.

This year there was \$476 of additions to capital assets.

The Fire District No. 4's adopted a capitalization policy during the year whereby only furniture and equipment over \$50 would be capitalized. More detailed information about the capital assets is presented in Note 5 to the financial statements.

**DEBT**

At year-end, the Catahoula Parish Fire District No. 4's had bond debt outstanding of \$150,000. The district also owed notes of \$7,932. There were certificates of indebtedness outstanding in the amount of \$14,000.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

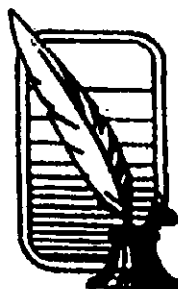
The District has discretion in setting fees and costs for services provided. The office staff and costs have been largely stable for the past several years, and are expected to remain so.

Taking all factors into consideration, the District's general fund balance is expected to decrease by the close of 2008.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Fire District No. 4's's finances and to show the their accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chief Robert Squyres, Fire District No. 4, 2335 Hwy. 923, Jonesville, LA 71343 at phone number (318) 339-1305.

MEMBER  
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CERTIFIED PUBLIC ACCOUNTANTS



MEMBER  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## DAUZAT, BEALL & DEBEVEC CPA's

A PROFESSIONAL CORPORATION

The Board of Directors  
Fire Protection District No. 4 of Catahoula Parish

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Fire Protection District No. 4 of Catahoula Parish, a component unit of the Police Jury Of Catahoula Parish, as of and for the year ended December 31, 2007, which collectively comprise the Fire District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Fire Protection District No. 4 of Catahoula Parish.

A review consists principally of inquiries of Entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis and the Required Supplementary Information as listed in the foregoing table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board and the state of Louisiana. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Dauzat, Beall & Debevec, CPA's, APC  
Alexandria, Louisiana  
June 9, 2008



**Fire Protection District No. 4 of Catahoula Parish  
Sandy Lake**

**Statement of Net Assets  
December 31, 2007**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 6,329
Accounts Receivable	<u>57,886</u>
<b>Total Current Assets</b>	<u><b>64,215</b></u>
<b>Noncurrent Assets:</b>	
Cash and Cash Equivalents-restricted	403
Land	27,000
Other Capital Assets, Net of Accumulated Depreciation	<u>891,437</u>
<b>Total Noncurrent Assets</b>	<u><b>918,840</b></u>
<b>Total Assets</b>	<u><b>\$ 983,055</b></u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Notes payable	\$ 7,932
Interest Payable	1,435
Certificate of Indebtedness	14,000
Bonds Payable Current Portion	<u>10,000</u>
<b>Total Current Liabilities</b>	<u><b>33,367</b></u>
<b>Long Term Liabilities:</b>	
Bonds Payable Long Term Portion	<u>140,000</u>
<b>Total Long Term Liabilities</b>	<u><b>140,000</b></u>
<b>Total Liabilities</b>	<u><b>173,367</b></u>
<b>NET ASSETS:</b>	
Investment in Capital Assets, Net of Related Debt	718,070
Unrestricted	91,215
Restricted, other	<u>403</u>
<b>Total Net Assets</b>	<u><b>\$ 809,688</b></u>

The Accompanying Notes Are an Integral Part of this Statement.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**Sandy Lake**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2007**

**EXPENSES**

**GENERAL GOVERNMENT:**

Contract services	\$ 5,000
Board per Diem	2,700
Training	546
Insurance	10,902
Utilities & Telephone	7,521
Professional Services	6,096
Maintenance & operation of:	
Machinery & Equipment	25,410
Office supplies	1,116
Operating supplies	5,942
Advertising	161
Miscellaneous	130
Interest and Fiscal charges	7,206
Depreciation	<u>76,657</u>
<b>Total program expenses</b>	<u><b>149,387</b></u>

**PROGRAM REVENUES**

Donations & fees	<u>17,037</u>
<b>Total program revenues</b>	<u><b>17,037</b></u>
 <b>Net program revenue</b>	 <u><b>(132,350)</b></u>

**GENERAL REVENUES**

Ad Valorem Taxes	67,188
State revenue sharing	7,794
Interest earned	93
State Insurance rebate	<u>8,051</u>
<b>Total General Revenue</b>	<u><b>83,126</b></u>

Change in Net Assets	(49,224)
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<b>NET ASSETS BEGINNING OF YEAR</b>	<u><b>858,912</b></u>
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<b>NET ASSETS END OF YEAR</b>	<u><b>\$ 809,688</b></u>
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The accompanying notes are an integral part of this financial statement.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
(Sandy Lake)**

**COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2007**

	General (Maintenance) <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash in bank	\$ 6,329	\$ 403	\$ 6,732
Revenue receivable:			
Ad valorem tax	52,690		52,690
State Insurance rebate	5,196		5,196
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<b><u>\$ 64,215</u></b>	<b><u>\$ 403</u></b>	<b><u>\$ 64,618</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts salaries and other payables	\$ -0-	\$ -0-	\$ -0-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
 <b>Fund Balances:</b>			
Fund balances -			
Reserved for debt service		403	403
Unreserved - undesignated	64,215		64,215
Total fund Balance	<u>64,215</u>	<u>403</u>	<u>64,618</u>
Total liability and fund Balance	<b><u>\$ 64,215</u></b>	<b><u>\$ 403</u></b>	<b><u>\$ 64,618</u></b>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
(SANDY LAKE)**

**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUND  
TO THE STATEMENT OF NET ASSETS  
December 31, 2007**

Total fund balance-governmental fund (fund financial statement)	\$	64,618
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Amounts reported for governmental activities in the statement of net assets  
(government-wide financial statements) are different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
governmental funds.

Cost of assets	1,213,180	
Accumulated depreciation	<u>(294,743)</u>	
		918,437

Long-term liabilities are not due and payable in the  
current period and therefore are not reported in the  
governmental funds.

Certificate of Indebtedness	(14,000)	
Notes Payable	(7,932)	
Bonds Payable	(150,000)	
Accrued Interest Payable	<u>(1,435)</u>	
		(173,367)

Total net assets of governmental activities (government-wide financial statements)	\$	<u>809,688</u>
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The accompanying notes are an integral part of this reconciliation.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
(Sandy Lake)**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
Year ended December 31, 2007**

	General (Maintenance) Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>			
Ad valorem tax	\$ 67,188		\$ 67,188
State revenue sharing	7,794		7,794
Interest	93	\$ 0	93
Public donations & fees	17,037		17,037
State insurance rebate	<u>8,051</u>		<u>8,051</u>
<b>Total revenues</b>	<u>100,163</u>	<u>0</u>	<u>100,163</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Contract Services	5,000		5,000
Per diem paid Board	2,700		2,700
Training	546		546
Insurance	10,902		10,902
Utilities & Telephone	7,521		7,521
Professional services	6,096		6,096
Maintenance & operation of:			
Machinery & equipment	25,410		25,410
Office supplies & expense	1,116		1,116
Operating Supplies	5,942		5,942
Advertising	161		161
Miscellaneous	130		130
Capital outlay	476		476
<b>Debt service:</b>			
Principal		34,817	34,817
Interest and fiscal charges		<u>7,301</u>	<u>7,301</u>
<b>Total expenditures</b>	<u>66,000</u>	<u>42,118</u>	<u>108,118</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>34,163</u>	<u>(42,118)</u>	<u>(7,955)</u>
<b>Other financing sources (uses):</b>			
Proceeds from Bank Loan	5,500		5,500
Proceeds Certificate of Indebtedness	14,000		14,000
Operating transfers in	0	42,281	42,281
Operating transfers out	<u>(42,281)</u>	<u>0</u>	<u>(42,281)</u>
<b>Total other financing sources (uses)</b>	<u>(22,781)</u>	<u>42,281</u>	<u>19,500</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	11,382	163	11,545
<b>Fund balance, beginning</b>	<u>52,833</u>	<u>240</u>	<u>53,073</u>
<b>Fund balance, ending</b>	<u>\$ 64,215</u>	<u>\$ 403</u>	<u>\$ 64,618</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH  
(SANDY LAKE)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2007**

Net change in fund balances-total governmental funds (fund financial statements)	\$ (7,955)
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Amounts reported for governmental activities in the statement of activities  
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Government activities report depreciation expense to allocate the cost of those capital assets over the estimated useful

Capital Outlay	476	
Depreciation expense	<u>(76,657)</u>	(76,181)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. The details of these differences in the treatment of long term debt and related items is as follows:

Certificate of Indebtedness	20,000	
Note payment	4,817	
Bond payment	<u>10,000</u>	34,817

Some of the expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest expense On long-term bonds	<u>95</u>	95
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Change in net assets of governmental activities (government-wide financial statements)	<u>\$ (49,224)</u>
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The accompanying notes are an integral part of this reconciliation.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**(Sandy Lake)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**INTRODUCTION**

Fire Protection District No. 4 of Catahoula Parish was created by the Catahoula Parish Police Jury on September 22, 2003 by adopting an ordinance ratifying the creation of the district. The District is a political subdivision governed by the laws of the State of Louisiana and is a component unit of Catahoula Parish Police Jury.

The accounting and reporting policies of the District conform to the generally accepted accounting principles (GAAP) as applicable to governmental units except as noted elsewhere in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying financial statements of the Fire Protection District No. 4 of Catahoula Parish (Sandy Lake) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**B. Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Catahoula Parish Police Jury is the financial reporting entity for Catahoula Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**(Sandy Lake)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**B. REPORTING ENTITY (contd.)**

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Catahoula Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and / or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury could be provided with specific financial benefit or could be responsible for specific financial burdens, the Fire Protection District No. 4 (Sandy Lake) was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fire Protection District No. 4 (Sandy Lake) and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.



**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**C. Fund Accounting**

The Fire Protection District No. 4 (Sandy Lake) uses the funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the District's activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Fire Protection District No. 4 (Sandy Lake). The following are the Fire Protection District's governmental funds:

**General Fund**

The General Fund is the general operating fund of the district. It is used to account for all financial resources except those that are required to be accounted in another fund.

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs

**Capital Project fund**

The capital Project fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in other governmental funds.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**D. Measurement Focus/Basis of Accounting**

**Fund Financial Statements(FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. The modified accrual basis of accounting is used by the fund financial statements (FFS). Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes, rents and user fees are recorded when earned

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when received.

**Expenditures**

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased. Compensated absences are recognized as expenditures when leave is actually taken or the employees (or heirs) are paid for accrued leave upon retirement or death.

Salaries are recorded as expenditures when earned.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**D. Measurement Focus/Basis of Accounting (contd.)**

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid, sales of assets and capitalized leases are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Government – Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the Fire District No. 4 as a whole. These statements include all the financial activities of the Fire District No. 4. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Program Revenues**

Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

**E. Budgetary Practice**

Operating budgets of proposed expenditures and revenues were adopted for the general (maintenance) fund. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. All budgets are adopted consistent with generally accepted accounting principles (GAAP).

The Fire District No. 4 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device for the Fire District No. 4's General fund. The budget is adopted on a modified accrual basis of accounting.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**E. Budgetary Practice (contd.)**

2. The Fire District No. 4 approves all budget line items.
3. Unused appropriations for all annual budgetary funds lapse at the end of the year.
4. The budget amounts shown in the financial statement are initial and final authorized amounts as revised during the year.

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in all demand deposits, interest bearing demand deposits and time deposits with original maturities of three months or less from the date of acquisition.

**G. Investments**

If the cash deposits have original maturities greater than 90 days, they are classified as investments. Investments are stated at cost or amortized cost.

**H. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$50 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land,, are depreciated using the straight-line method over th following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Equipment	5-25 years
Property Improvements	10-50 years

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**I.   Compensated Absences**

Currently, there are no employees and all services are provided on a volunteer basis.

**J.   Restricted Net Assets**

For government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

1.       externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2.       imposed by law through constitutional provisions or enabling legislation.

**K.   Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

**L.   Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**M. Long Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**2. CASH**

At DECEMBER 31, 2007, the Fire District No. 4 has cash and cash equivalents (book balances) totaling \$6,732 as follows:

Demand Deposits Including	
Interest bearing demand deposits	\$ 6,732
Time Deposits	<u>-0-</u>
Total	<u>\$ 6,732</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by the federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At DECEMBER 31, 2007, the District has \$5,034 in deposits (collected bank balances). These deposits are secured from risk by \$5,034 of federal deposit insurance(category 1).

Even though the pledged securities are considered un-collateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fire District No. 4 that the fiscal agent has failed to pay deposited funds upon demand. (This disclosure should acknowledge any violations of state law relating to adequate pledged securities.)

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**3. TAXES RECEIVABLE**

On November 15, 2003, an election was held to authorize a five (10.00) mills ad valorem tax on each dollar of assessed valuation, on all property subject to such taxation within Catahoula Parish for ten years, beginning with the year 2004 for the purpose of constructing, maintaining and operating facilities for the benefit of the Fire District No. 4 of Catahoula Parish. Also, tax payers authorized the district to annually levy and collect unlimited ad valorem taxes sufficient to pay bond holders.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 2007, taxes were levied on property in Catahoula Parish and were dedicated to Fire District No. 4 of Catahoula Parish as follows:

	<b>Taxes Levied</b>	<b>Received Prior</b>	<b>Less:</b>	<b>Taxes</b>
	<b><u>At 12/31/07</u></b>	<b><u>To 12/31/06</u></b>	<b><u>Allowance for</u></b>	<b><u>Receivable</u></b>
			<b><u>Uncollectible</u></b>	<b><u>At 12/31/07</u></b>
4.31 mills	\$ 20,237	\$ (2,942)	\$ (1,407)	\$ 15,888
10.00 mills	<u>46,951</u>	<u>(6,867)</u>	<u>(3,282)</u>	<u>36,802</u>
Total	<u>\$ 67,188</u>	<u>\$ (9,809)</u>	<u>\$ (4,689)</u>	\$ 52,690
STATE TAX REBATE				<u>5,196</u>
			TOTAL	<u>\$ 57,886</u>

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**4. BAD DEBTS**

Uncollectible amounts due for customer receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectible portion of the particular receivable.

**5. CAPITAL ASSETS**

A summary of property and equipment and accumulated depreciation at DECEMBER 31, 2007 follows:

<b>Property and Equipment</b>				
	<u>Balance</u>			<u>Balance</u>
	<u>12/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/07</u>
Furniture & equipment	\$ 988,373	\$ 476		\$ 988,849
Fixed assets & improvements	197,331			197,331
Land	27,000			27,000
Total	<u>\$ 1,212,704</u>	<u>\$ 476</u>		<u>\$ 1,213,180</u>

<b>Accumulated Depreciation</b>				
	<u>Balance</u>			<u>Balance</u>
	<u>12/01/06</u>	<u>Additions</u>	<u>Depreciation</u>	<u>12/31/07</u>
Furniture & equipment	\$ 205,853	\$ 71,724		\$ 277,577
Fixed assets & improvements	12,233	4,933		17,166
Total	<u>\$ 218,086</u>	<u>\$ 76,657</u>		<u>\$ 294,743</u>



**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**6. LONG TERM DEBT**

The Fire District No. 4 of Catahoula Parish paid off the following certificate of indebtedness at December 31, 2007:

The District issued Certificates of Indebtedness, Series 2007 to Catahoula Lasalle Bank of Jonesville, Louisiana in the amount of \$14,000 on Aug 1, 2007. Payment of principal and interest are due March 1, 2008. Principal and interest payments begin March 1, 2008 and end March 1, 2008. The interest rate on the Certificate of Indebtedness is 6.00%.

Principal balance at 12/31/07	<u>\$14,000</u>
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The district also had bonded debt outstanding at December 31, 2007. The Fire district issued bonds on May 1, 2004 in the amount of \$175,000 which are general obligation bonds with maturities from 2007 to 2019 and have interest rates from 1.70% to 4.65%.

Principal balance at 12/31/07	<u>\$150,000</u>
-------------------------------	------------------

Fire District No. 4 also has a note payable outstanding to USDA-Farmers Home Administration at December 31, 2007. The Fire district borrowed \$40,000 in 1998 to purchase operating equipment. The loan requires the first payment to be made July 25, 1998 with the final payment due June 30, 2008. The rate of interest is 4.875% with monthly required payments of \$422.

Principal balance at 12/31/07	<u>\$2,432</u>
-------------------------------	----------------

Fire District No. 4 also has a note payable outstanding to Southern Heritage Bank at December 31, 2007. The Fire district borrowed \$5,500 on Oct. 11, 2007. The loan requires full payment to be made in 90 days. The rate of interest is 7.75%.

Principal balance at 12/31/07	<u>\$5,500</u>
-------------------------------	----------------

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
(Sandy Lake)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(CONTINUED)

**6. LONG TERM DEBT (cont)**

All principal and interest requirements are funded in accordance with Louisiana Law by the annual ad valorem tax levy on taxable property within the parish. The long term debt is due as follows:

Year ending, December 31,	General Obligation Bonds		Notes Payable	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	10,000	5,740	7,932	141
2009	10,000	5,460		
2010	10,000	5,155		
2011	10,000	4,828		
2012	10,000	4,015		
2013-2017	70,000	15,292		
2018-2019	30,000	1,380		
Total	<u>\$150,000</u>	<u>41,870</u>	<u>\$ 7,932</u>	<u>141</u>

Certificate of indebtedness due 2008	<u>\$14,000</u>	<u>\$487</u>		
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**7. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

<u>Description</u>	<u>Balance December 31, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2007</u>
<b>Governmental activities</b>				
Certificate of indebtedness	\$ 20,000	\$14,000	\$ (20,000 )	\$ 14,000
General Obligation Bonds	160,000	0	(10,000 )	150,000
Notes Payable	<u>7,249</u>	<u>5,500</u>	<u>(4,817 )</u>	<u>7,932</u>
Total	<u>\$ 187,249</u>	<u>19,500</u>	<u>(34,817)</u>	<u>\$171,932</u>

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**(Sandy Lake)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**8. RESTRICTED ASSETS AND RESTRICTED NET ASSETS**

Proceeds in the capital project fund are restricted for construction or purchase of assets which are funded through long term debt. Net assets restricted for debt service include excess of assets over certain liabilities restricted for the debt service on the general obligation bonds. Cash is also restricted for payment of the USDA loan and the bond requirements.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**Sandy Lake**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>				
Ad valorem tax	\$84,000	\$84,000	\$67,188	(\$16,812)
State Revenue Sharing			7,794	7,794
Interest			93	93
Public Donations & Fees			17,037	17,037
State Insurance Rebate			8,051	8,051
Total Revenues	84,000	84,000	100,163	16,163
<b>EXPENDITURES</b>				
<b>CURRENT-General Government</b>				
Contract Services	6,000	6,000	5,000	1,000
Board Per Diem			2,700	(2,700)
Training			546	(546)
Insurance	18,000	18,000	10,902	7,098
Utilities & Telephone	6,000	6,000	7,521	(1,521)
Professional Services			6,096	(6,096)
<b>MAINT. &amp; OPERATION OF:</b>				
MACHINERY EQUIPMENT	12,000	12,000	25,410	(13,410)
Office Supplies & expense			1,116	(1,116)
Operating Supplies			5942	(5,942)
Advertising			161	(161)
Miscellaneous	42,000	42,000	130	41,870
Total Current Expenditures	84,000	84,000	65,524	18,476
<b>CAPITAL OUTLAY:</b>				
Total Expenditures	84,000	84,000	66,000	18,000

(Continued)

The accompanying notes are an integral part of this financial statement

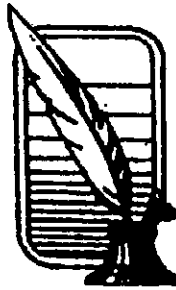
**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**Sandy Lake**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
(continued)

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
<b>EXCESS (DEF) OF REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>34,163</u>	<u>34,163</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from bank loan			5,500	5,500
Proceeds Certificate of indebtedness			14,000	14,000
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(42,281)</u>	<u>(42,281)</u>
<b>Total Other Financing     sources (uses)</b>	<u>0</u>	<u>0</u>	<u>(22,781)</u>	<u>(22,781)</u>
<b>Excess Of Revenues and Other Financing Sources over (Under) Expenditures and Other Financing Uses</b>	<u>0</u>	<u>0</u>	<u>11,382</u>	<u>11,382</u>
<b>FUND BALANCE, BEGINNING</b>	<u>52,833</u>	<u>52,833</u>	<u>52,833</u>	<u>0</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$52,833</u></u>	<u><u>\$52,833</u></u>	<u><u>\$64,215</u></u>	<u><u>\$11,382</u></u>

The accompanying notes are an integral part of this financial statement

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## DAUZAT, BEALL & DEBEVEC CPA's

A PROFESSIONAL CORPORATION

### Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Management of Fire Protection District No. 4

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 4 and the Legislative Auditor of Louisiana, solely to assist the users in evaluating management's assertions about compliance with certain laws and regulations during the year ended December 31, 2007, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures meeting limits.

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees and services were contracted for or donated.

4. Determine whether any of those employees included in the listing obtained from management in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None.

## **BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.  
There were no amendments to the budget for the year.

6. Trace the budget adoption and amendments to the minute book.

The budget was adopted in the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures and revenues did not exceed budgeted amounts by more than 5%.

## **ACCOUNTING AND REPORTING**

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account.

All payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Fire Chief. In addition, each of the disbursements were approved by the full board.

## **MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Fire Protection District No. 4 complied with open meetings law as required.

## **DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted deposits which were proceeds of certificates of indebtedness. The debt was approved by the state bond commission. There was also a bank loan made from the southern Heritage Bank on October 11, 2007 that was not paid off within the required 90 days.

## **ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

There were no employees during the year ended.

The prior year does not have unresolved findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



This report is intended solely for the use of management of Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibilities for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Dauzat, Beall, & Debevec". The signature is stylized with a large, sweeping initial "D" and a flourish at the end.

Dauzat, Beall, & Debevec, CPA's, APC  
Alexandria, Louisiana  
June 9, 2008

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
**Sandy Lake**

**Summary Schedule of Prior Review Findings**  
**For the Year Ended December 31, 2006**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Planned Corrective Corrective Action Taken</u>
06-1	2006	Local Budget Act	Corrected

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
Sandy Lake

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2007**

We have reviewed the financial statements of the Fire Protection District No. 4 of Catahoula Parish as of December 31, 2007 and have issued our report thereon dated June 9, 2008. We conducted our review and agreed upon procedures in accordance with Statements on standards for Accounting and Review Services issued by the American Institution of Certified Public Accountants and the Louisiana Governmental Audit Guide along with requirements established by the State Legislative Auditor's office.

**Section 1-Schedule of findings**

**07-1 Temporary Bank loans of 90 days**

Condition: The fire district Borrowed \$5,500 from the Southern Heritage Bank on October 11, 2007 . The terms were for 90 days but the loan was paid back after the 90 days had elapsed.

Criteria: In accordance with state law, all political subdivisions should limit temporary borrowing to 90 days.

**FIRE PROTECTION DISTRICT NO. 4 OF CATAHOULA PARISH**  
Sandy Lake

**CORRECTIVE ACTION PLAN**  
**YEAR ENDED DECEMBER 31, 2007**

Accountant Ref. Number

07-1      All future temporary bank loans will be repaid within 90 days in accordance with applicable state law.

Name of Contact Person:      Chief Robert Squyres  
   (318) 339-1305

Date: June 9, 2008

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

5/1/07 (Date Transmitted)

DAUZAT, BEALL & DEBEVEC CPA'S

1220 WINDSOR PLACE

ALEXANDRIA LA 71301

(Auditors)

In connection with your review of our financial statements as of 12/31/07 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 5/1/07.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [ X ] No [ ]

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [ X ] No [ ]

#### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [ X ] No [ ]



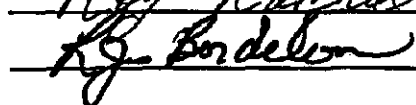
#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [ X ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	5/1/07	Date
	Treasurer	5/1/07	Date
	President	5/1/07	Date